88-771

No. _____

Supreme Court, U.S.
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CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1988

SUN-TEK INDUSTRIES, INC.

Petitioner,

v.

KENNEDY SKY-LITES, INC. and KENERGY CORPORATION,

Respondents.

APPENDIX TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

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IN THE UNITED STATES
DISTRICT COURT
FOR THE MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

SUN-TEK INDUSTRIES, INC.,	)	
	)	
Plaintiff,	)	Civil Action
	)	No.
v.	)	
	)	82-469-CIV-ORL
KENNEDY SKY-LITES, INC., and KENERGY CORPORATION,	)	
	)	
Defendants.	)	

SPECIAL QUESTIONS TO THE JURY

A. VALIDITY AND INFRINGEMENT OF KENERGY'S UNITED STATES PATENTS 4,278,414

A1. With respect to Claim 1 of United States Patent 4,278,414:

Do you find clear and convincing evidence that the differences between the overall combination of Claim 1 and the prior art as of August, 1978, when taken as a whole, would have been obvious to one of ordinary skill in the art to which the subject matter of Claim 1 pertains?

__X__ Yes _____ No

A2. Do you find that Claim 1 of the United States Patent 4,278,414 has been infringed by Sun-Tek?

_____ Yes, we find Claim 1 of the United States Patent 4,278,414 has been infringed by Sun-Tek.

__X__ No, we do not find Claim 1 of United States Patent 4,278,414 has been infringed by Sun-Tek.

A3. <u>With respect to Claim 2 of United States Patent 4,278,414:</u>

Do you find clear and convincing evidence that the differences between the overall combination of Claim 2 and the prior art as of August, 1978, when taken as a whole, would have been obvious to one of ordinary skill in the art to which the subject matter of Claim 2 pertains?

___X___ Yes _____ No

A4. Do you find that Claim 2 of United States Patent 4,278,414 has been infringed by Sun-Tek?

_____ Yes, we find Claim 2 of United States Patent 4,278,414 has been infringed by Sun-Tek.

__X__ No, we do not find Claim 2 of United States Patent 4,278,414 has been infringed by Sun-Tek.

A5. With respect to Claim 3 of United States Patent 4,278,414:

Do you find clear and convincing evidence that the differences between the overall combination of Claim 3 and the prior art as of August, 1978, when taken as a whole, would have been obvious to one of ordinary skill in the art to which the subject matter of Claim 3 pertains?

___X___ Yes _____ No

A6. Do you find that Claim 3 of United States Patent 4,278,414 has been infringed by Sun-Tek?

_____ Yes, we find Claim 3 of United States Patent 4,278,414 has been infringed by Sun-Tek.

__X__ No, we do not find Claim 3 of United States Patent 4,278,414 has been infringed by Sun-Tek.

A7. <u>With respect to Claim 4 of United States Patent 4,278,414:</u>

Do you find clear and convincing evidence that the differences between the overall combination of Claim 4 and the prior art as of August, 1978, when taken as a whole, would have been obvious to one of ordinary skill in the art to which the subject matter of Claim 4 pertains?

___X___ Yes _____ No

A8. Do you find that Claim 4 of United States Patent 4,278,414 has been infringed by Sun-Tek?

_____ Yes, we find Claim 4 of United States Patent 4,278,414 has been infringed by Sun-Tek.

__X__ No, we do not find Claim 4 of United States Patent 4,278,414 has been infringed by Sun-Tek.

A9. <u>With respect to Claim 5 of United States Patent 4,278,414:</u>

Do you find clear and convincing evidence that the differences between the overall combination of Claim 5 and the prior art as of August, 1978, when taken as a whole, would have been obvious to one of ordinary skill in the art to which the subject matter of Claim 5 pertains?

___X___ Yes _____ No

A10. Do you find that Claim 5 of United States Patent 4,278,414 has been infringed by Sun-Tek?

_____ Yes, we find Claim 5 of United States Patent 4,278,414 has been infringed by Sun-Tek.

__X__ No, we do not find Claim 5 of United States Patent 4,278,414 has been infringed by Sun-Tek.

A11. With respect to Claim 6 of States Patent 4,278,414:

Do you find clear and convincing evidence that the differences between the overall combination of Claim 6 and the prior art as of August, 1978, when taken as a whole, would have been obvious to one of ordinary skill in the art to which the subject matter of Claim 6 pertains?

___X___ Yes _____ No

A12. Do you find that Claim 6 of United States Patent 4,278,414 has been infringed by Sun-Tek?

_____ Yes, we find Claim 5 (sic) of United States Patent 4,278,414 has been infringed by Sun-Tek.

__X__ No, we do not find Claim 5 (sic) of United States Patent 4,278,414 has been infringed by Sun-Tek.

A13. Do you find clear and convincing evidence that the Patent Examiner (Mr. Flint) handling the application for United States Patent 4,278,414 did not have access to the Shuman patent?

___X___ Yes _____ No

A14. Do you find clear and convincing evidence that employees of Kenergy failed to disclose prior art which the Patent Examiner would have found material in deciding whether to issue United States Patent 4,278,414?

___X___ Yes, we find clear and convincing evidence that employees of Kenergy failed to disclose material prior art.

_____ No, we do not find clear and convincing evidence that employees of Kenergy failed to disclosure (sic) material prior art.

(Answer Question A15 only if your answer to Question A14 was "Yes.")

A15. Do you find clear and convincing evidence that any such failure to disclose prior art on the part of Kenergy's employees was made with the specific intent to commit fraud on the United States Patent and Trademark office?

__X__ Yes, we find clear and convincing evidence that employees of Kenergy specifically intended to commit fraud.

_____ No, we find clear and convincing evidence that employees of

Kenergy did not specifically intend to commit fraud.

(Answer Question A16 if a "Yes" answer was given to any one of questions A2, A4, A6, A8, A10 or A12).

A16. What amount, if any, do you award to Kenergy for the infringements by Sun-Tek of United States Patent 4,278,414?

$ NONE

B. VALIDITY AND INFRINGEMENT OF KENERGY'S UNITED STATES PATENT 4,344,261

B1. Do you find that Claim 1 of United States Patent 4,344,261 has been infringed by Sun-Tek?

_____ Yes, we find Claim 1 of United States Patent 4,344,261 has been infringed by Sun-Tek.

__X__ No, we do not find Claim 1 of United States Patent 4,344,261 has been infringed by Sun-Tek.

B2. Do you find that Claim 2 of United States Patent 4,344,261 has been infringed by Sun-Tek?

_____ Yes, we find Claim 2 of United States Patent 4,344,261 has been infringed by Sun-Tek.

__X__ No, we do not find Claim 2 of United States Patent 4,344,261 has been infringed by Sun-Tek.

B3. Do you find that Claim 3 of United States Patent 4,344,261 has been infringed by Sun-Tek?

_____ Yes, we find Claim 3 of United States Patent 4,344,261 has been infringed by Sun-Tek.

__X__ No, we do not find Claim 3 of United States Patent 4,344,261 has been infringed by Sun-Tek.

B4. Do you find that Claim 4 of United States Patent 4,344,261 has been infringed by Sun-Tek?

_____ Yes, we find Claim 4 of United States Patent 4,344,261 has been infringed by Sun-Tek.

__X__ No, we do not find Claim 4 of United States Patent 4,344,261 has been infringed by Sun-Tek.

B5. Do you find that Claim 5 of United States Patent 4,344,261 has been infringed by Sun-Tek?

_____ Yes, we find Claim 5 of United States Patent 4,344,261 has been infringed by Sun-Tek.

__X__ No, we do not find Claim 5 of United States Patent 4,344,261 has been infringed by Sun-Tek.

B6. Do you find that Claim 6 of United States Patent 4,344,261 has been infringed by Sun-Tek?

_____ Yes, we find Claim 6 of United States Patent 4,344,261 has been infringed by Sun-Tek.

__X__ No, we do not find Claim 6 of United States Patent 4,344,261 has been infringed by Sun-Tek.

(Answer Question B7 if a "Yes" answer was given to any one of questions B1, B2, B3, B4, B5, or B6).

B7. What amount, if any, do you award to Kenergy for the infringements by Sun-Tek of United States Patent 4,344,261?

$ NONE

C. VALIDITY OF KENERGY'S UNITED STATES PATENTS 4,352,776

C1. Do you find clear and convincing evidence that all of the elements recited in Claim 1 of United States Patent 4,352,776 entitled "Apparatus and Method for Fabricating Polycarbonate Skylights" was in public use more than one year prior to its filing date, or are shown in a single prior art reference or prior art device which is in evidence?

___X___ Yes.

_____ No.

C2. <u>With respect to Claim 1 of United States Patent 4,352,776:</u>

Do you find clear and convincing evidence that the differences between the overall combination of Claim 1 and the prior art as of August, 1978, when taken as a whole, would have been obvious to one of ordinary skill in the art to which the subject matter of Claim 1 pertains?

___X___ Yes _____ No

C3. Do you find clear and convincing evidence that all of the elements recited in Claim 2 of United States Patent 4,352,776 entitled "Apparatus and Method for Fabricating Polycarbonate Skylights" was in public use more than one year prior to its filing date, or are shown in a single prior art reference or prior art device which is in evidence?

___X___ Yes.

_____ No.

C4. With respect to Claim 2 of United States Patent 4,352,776:

Do you find clear and convincing evidence that the differences between the overall combination of Claim 2 and the prior art as of August, 1978, when taken as a whole, would have been obvious to one of ordinary skill in the art to which the subject matter of Claim 2 pertains?

__X__ Yes _____ No

C5. Do you find clear and convincing evidence that all of the elements recited in Claim 3 of United States Patent 4,352,776 entitled "Apparatus and Method for Fabricating Polycarbonate Skylights" was in public use more than one year prior to its filing date, or are shown in a single prior art reference or prior art device which is in evidence?

___X___ Yes.

_____ No.

C6. <u>With respect to Claim 3 of United States Patent 4,352,776:</u>

Do you find clear and convincing evidence that the differences between the overall combination of Claim 3 and the prior art as of August, 1978, when taken as a whole, would have been obvious to one of ordinary skill in the art to which the subject matter of Claim 3 pertains?

__X__ Yes _____ No

C7. Do you find clear and convincing evidence that all of the elements recited in Claim 4 of United States Patent 4,352,776 entitled "Apparatus and Method for Fabricating Polycarbonate Skylights" was in public use more than one year prior to its filing date, or are shown in a single prior art reference or prior art device which is in evidence?

__X__ Yes.

_____ No.

C8. With respect to Claim 4 of United States Patent 4,352,776:

Do you find clear and convincing evidence that the differences between the overall combination of Claim 4 and the prior art as of August, 1978, when taken as a whole, would have been obvious to one of ordinary skill in the art to which the subject matter of Claim 4 pertains?

__X__ Yes _____ No

C9. Do you find clear and convincing evidence that all of the elements recited in Claim 5 of United States Patent 4,352,776 entitled "Apparatus and Method for Fabricating Polycarbonate Skylights" was in public use more than one year prior to its filing date, or are shown in a single prior art reference or prior art device which is in evidence?

___X___ Yes.

_____ No.

C10. With respect to Claim 5 of United States Patent 4,352,776:

Do you find clear and convincing evidence that the differences between the overall combination of Claim 5 and the prior art as of August, 1978, when taken as a whole, would have been obvious to one of ordinary skill in the art to which the subject matter of Claim 5 pertains?

___X___ Yes _____ No

C11. Do you find clear and convincing evidence that all of the elements recited in Claim 6 of United States Patent 4,352,776 entitled "Apparatus and Method for Fabricating Polycarbonate Skylights" was in public use more than one year prior to its filing date, or are shown in a single prior art reference or prior art device which is in evidence?

___X___ Yes.

_____ No.

C12. <u>With respect to Claim 6 of United States Patent 4,352,776:</u>

Do you find clear and convincing evidence that the differences between the overall combination of Claim 6 and the prior art as of August, 1978, when taken as a whole, would have been obvious to one of ordinary skill in the art to which the subject matter of Claim 6 pertains?

__X__ Yes _____ No

C13. Do you find clear and convincing evidence that all of the elements recited in Claim 7 of United States Patent 4,352,776 entitled "Apparatus and Method for Fabricating Polycarbonate Skylights" was in public use more than one year prior to its filing date, or are shown in a single prior art reference or prior art device which is in evidence?

___X___ Yes.

_____ No.

C14. With respect to Claim 7 of United States Patent 4,352,776:

Do you find clear and convincing evidence that the differences between the overall combination of Claim 7 and the prior art as of August, 1978, when taken as a whole, would have been obvious to one of ordinary skill in the art to which the subject matter of Claim 7 pertains?

___X___ Yes _____ No

C15. Do you find clear and convincing evidence that all of the elements recited in Claim 8 of United States Patent 4,352,776 entitled "Apparatus and Method for Fabricating Polycarbonate Skylights" was in public use more than one year prior to its filing date, or are shown in a single prior art reference or prior art device which is in evidence?

___X___ Yes.

_____ No.

C16. With respect to Claim 8 of United States Patent 4,352,776:

Do you find clear and convincing evidence that the differences between the overall combination of Claim 8 and the prior art as of August, 1978, when taken as a whole, would have been obvious to one of ordinary skill in the art to which the subject matter of Claim 8 pertains?

___X___ Yes _____ No

C17. Do you find clear and convincing evidence that all of the elements recited in Claim 9 of United States Patent 4,352,776 entitled "Apparatus and Method for Fabricating Polycarbonate Skylights" was in public use more than one year prior to its filing date, or are shown in a single prior art reference or prior art device which is in evidence?

___X___ Yes.

_____ No.

C18. With respect to Claim 9 of United States Patent 4,352,776:

Do you find clear and convincing evidence that the differences between the overall combination of Claim 9 and the prior art as of August, 1978, when taken as a whole, would have been obvious to one of ordinary skill in the art to which the subject matter of Claim 9 pertains?

___X___ Yes _____ No

C19. Do you find clear and convincing evidence that all of the elements recited in Claim 10 of United States Patent 4,352,776 entitled "Apparatus and Method for Fabricating Polycarbonate Skylights" was in public use more than one year prior to its filing date, or are shown in a single prior art reference or prior art device which is in evidence?

_____ Yes.

__X__ No.

C20. With respect to Claim 10 of United States Patent 4,352,776:

Do you find clear and convincing evidence that the differences between the overall combination of Claim 10 and the prior art as of August, 1978, when taken as a whole, would have been obvious to one of ordinary skill in the art to which the subject matter of Claim 10 pertains?

_____ Yes _____X_____ No

C21. Do you find clear and convincing evidence that all of the elements recited in Claim 11 of United States Patent 4,352,776 entitled "Apparatus and Method for Fabricating Polycarbonate Skylights" was in public use more than one year prior to its filing date, or are shown in a single prior art reference or prior art device which is in evidence?

___X___ Yes.

_____ No.

C22. With respect to Claim 11 of United States Patent 4,352,776:

Do you find clear and convincing evidence that the differences between the overall combination of Claim 11 and the prior art as of August, 1978, when taken as a whole, would have been obvious to one of ordinary skill in the art to which the subject matter of Claim 11 pertains?

___X___ Yes _____ No

D. VALIDITY OF KENERGY'S UNITED STATES PATENTS 4,447,200

D1. Do you find clear and convincing [evidence] that all of the elements recited in Claim 1 of United States Patent 4,447,200 entitled "Apparatus for Molding Skylights" was in prior use more than one year prior to its filing date, or are shown in a single prior art reference or prior art device which is in evidence?

___X___ Yes _____ No

D2. With respect to Claim 1 of United States Patent 4,447,200:

Do you find clear and convincing evidence that the differences between the overall combination of Claim 1 and the prior art as of August, 1978, when taken as a whole, would have been obvious to one of ordinary skill in the art to which the subject matter of Claim 1 pertains?

___X___ Yes _____ No

D3. Do you find clear and convincing [evidence] that all of the elements recited in Claim 2 of United States Patent 4,447,200 entitled "Apparatus for Molding Skylights" was in prior use more than one year prior to its filing date, or are shown in a single prior art reference or prior art device which is in evidence?

___X___ Yes _____ No

D4. <u>With respect to Claim 2 of United States Patent 4,447,200:</u>

Do you find clear and convincing evidence that the differences between the overall combination of Claim 2 and the prior art as of August, 1978, when taken as a whole, would have been obvious to one of ordinary skill in the art to which the subject matter of Claim 2 pertains?

__X__ Yes _____ No

D5. Do you find clear and convincing [evidence] that all of the elements recited in Claim 3 of United States Patent 4,447,200 entitled "Apparatus for Molding Skylights" was in prior use more than one year prior to its filing date, or are shown in a single prior art reference or prior art device which is in evidence?

___X___ Yes _____ No

D6. With respect to Claim 3 of United States Patent 4,447,200:

Do you find clear and convincing evidence that the differences between the overall combination of Claim 3 and the prior art as of August, 1978, when taken as a whole, would have been obvious to one of ordinary skill in the art to which the subject matter of Claim 3 pertains?

___X___ Yes _____ No

D7. Do you find clear and convincing [evidence] that all of the elements recited in Claim 4 of United States Patent 4,447,200 entitled "Apparatus for Molding Skylights" was in prior use more than one year prior to its filing date, or are shown in a single prior art reference or prior art device which is in evidence?

___X___ Yes _____ No

D8. With respect to Claim 4 of United States Patent 4,447,200:

Do you find clear and convincing evidence that the differences between the overall combination of Claim 4 and the prior art as of August, 1978, when taken as a whole, would have been obvious to one of ordinary skill in the art to which the subject matter of Claim 4 pertains?

__X__ Yes _____ No

D9. Do you find clear and convincing [evidence] that all of the elements recited in Claim 5 of United States Patent 4,447,200 entitled "Apparatus for Molding Skylights" was in prior use more than one year prior to its filing date, or are shown in a single prior art reference or prior art device which is in evidence?

___X___ Yes _____ No

D10. With respect to Claim 5 of United States Patent 4,447,200:

Do you find clear and convincing evidence that the difference between the overall combination of Claim 5 and the prior art as of August, 1978, when taken as a whole, would have been obvious to one of ordinary skill in the art to which the subject matter of Claim 5 pertains?

___X___ Yes _____ No

D11. Do you find clear and convincing [evidence] that all of the elements recited in Claim 6 of United States Patent 4,447,200 entitled "Apparatus for Molding Skylights" was in prior use more than one year prior to its filing date, or are shown in a single prior art reference or prior art device which is in evidence?

___X___ Yes _____ No

D12. With respect to Claim 6 of United States Patent 4,447,200:

Do you find clear and convincing evidence that the differences between the overall combination of Claim 6 and the prior art as of August, 1978, when taken as a whole, would have been obvious to one of ordinary skill in the art to which the subject matter of Claim 6 pertains?

__X__ Yes _____ No

D13. Do you find clear and convincing [evidence] that all of the elements recited in Claim 7 of United States Patent 4,447,200 entitled "Apparatus for Molding Skylights" was in prior use more than one year prior to its filing date, or are shown in a single prior art reference or prior art device which is in evidence?

_____ Yes ___X___ No

D14. With respect to Claim 7 of United States Patent 4,447,200:

Do you find clear and convincing evidence that the differences between the overall combination of Claim 7 and the prior art as of August, 1978, when taken as a whole, would have been obvious to one of ordinary skill in the art to which the subject matter of Claim 7 pertains?

_____ Yes ___X___ No

OTHER QUESTIONS

E1. Do you find clear and convincing evidence that the defective declaration renders United States Patent 4,352,776 invalid?

___X___ Yes _____ No

E2. Do you find clear and convincing evidence that the defect in the filing date of United States Patent 4,447,200 renders that patent invalid?

___X___ Yes _____ No

E3. Do you find clear and convincing evidence that the specification in United States Patent 4,278,414 does not support the material added in United States Patent 4,352,776?

_____ Yes ___X___ No

E4. Has Sun-Tek established by clear and convincing evidence that it is entitled to a recision of the license agreement?

___X___ Yes _____ No

WILLFUL INFRINGEMENT

(Answer Question F1 if your answer to any of Questions A2, A4, A8, A10, B1, B2, B3, B4, B5 or B6 is "Yes")

F1. Do you find that any of Plaintiff Sun-Tek's infringements were engaged in willfully?

N/A

_____ Yes _____ No

SO SAY WE ALL.

/s/
Jury Foreman/Forewoman

Dated: 7/25/86

UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

SUN-TEK INDUSTRIES, INC., a Florida Corporation, Plaintiff,	)	Civil Action No.
v.	)	82-469-Orl-Civ-11
KENNEDY SKY-LITES, INC., a Florida Corporation, and KENERGY CORPORATION, a Florida Corporation, Defendants.	)	

FINAL JUDGMENT

This action came on for trial before the Court and the Jury commencing July 14, 1986, the Honorable Elizabeth A. Kovachevich, District Judge, presiding, and certain of the issues having been resolved by the Court upon motions for Directed Verdict and the remaining issues having been tried to the Jury for Verdict on some issues and the Jury having considered those matters reserved for its

determination,

IT IS ORDERED AND ADJUDGED that:

1. During the trial, the Court GRANTED the following motions for Directed Verdict:

A. Count Two of Plaintiff's third amended complaint sought compensatory and treble damages, attorneys fees and injunctive relief for alleged violations of 15 U.S.C., Section 1 and 2 for alleged monopolization and attempted monopolization. At the close of Plaintiff's case in chief, Defendant Kenergy moved for a Directed Verdict. The Court having reviewed all of the evidence during Plaintiff's case in chief on the grounds that Plaintiff fails to establish prima facie case under Count Two, the motion for a Directed Verdict as to Count Two of the third amended complaint is

GRANTED and Plaintiff's Count Two is dismissed with prejudice.

B. Count Three of Plaintiff's third amended complaint sought compensatory and treble damages, attorneys fees and an injunction for alleged violations of 15 U.S.C., Section 1 in relation to the alleged tie-in scheme. Defendant Kenergy moved for a Directed Verdict at the close of Plaintiff's case in chief as to Count Three. The Court having analyzed all of the evidence presented during Plaintiff's case in chief and having found that Plaintiff failed to establish a prima facie case under Count Three, Defendants' motion for a Directed Verdict is GRANTED and Count Three of Plaintiff's third amended complaint is dismissed with prejudice.

C. At the close of all of the evidence, Defendant moved for a Directed

Verdict as to the issues of anticipation under 35 U.S.C., Section 102, obviousness under 35 U.S.C., Section 103, and the issue of lack of candor with respect to prior art allegedly withheld from the patent examiner during the prosecution of the '414 patent. After a review of all of the evidence, the Court has found there is no evidence which established the anticipation under 35 U.S.C., Section 102 of the subject matter of the '414 patent and therefore a Directed Verdict is GRANTED as to that issue; further, that a Directed Verdict for Defendants has been entered under Count One of the complaint on the issue of inventorship under the doctrine of derivation under United States Patent 4,278,414.

D. At the close of all of the evidence, Defendant Kenergy moved for a Directed Verdict on the issue of the

validity of the '261 patent under 35 U.S.C., Sections 102 and 103. The Court having found that Plaintiff Sun-Tek presented no evidence of invalidity under 35 U.S.C., Sections 102 and 103 of the '261 patent, Defendants' motion for a Directed Verdict on those issues is GRANTED.

2. During the trial, after instruction, the Jury deliberated and returned the following Verdicts which the Court hereby confirms and directs entry of judgment regarding the same:

A. Based upon the findings of the Jury, a Judgment is entered that all of the claims of the '414 patent are obvious under 35 U.S.C., Section 103, and are unenforceable because of Defendant Kenergy's fraud and failing to disclose certain prior art to the patent examiner.

B. Upon the Jury's Verdict, a Judgment is entered that Plaintiff has not infringed any of the claims of the '414 patent.

C. Upon the Jury's Verdict, it is adjudged that Plaintiff has not infringed any of the claims of the claims (sic) of the '261 patent.

D. Upon the Jury's Verdict, it is hereby adjudged that the material added in the '776 patent is supported by the original specification of the '414 patent.

E. Upon the Jury's Verdict, it is hereby adjudged that claim 10 of the '776 patent is valid.

F. Upon the Jury's Verdict, it is hereby adjudged that claims 1-9 and claim 11 of patent '776 are invalid under 35 U.S.C., Section 102 for prior public uses, anticipatory prior art having an effective date prior to Kenergy's invention date of

August 1978 and it is hereby further adjudged that the subject matter of claims 1-9 and claim 11 of the '776 patent would have been obvious to one of ordinary skill in the art when taken as a whole as of August, 1978.

G. Upon the Jury's Verdict, it is hereby adjudged that claim 7 of the '200 patent is valid.

H. Upon the Jury's Verdict it is hereby adjudged that claims 1-6 of the '200 patent are invalid under 35 U.S.C., Section 102 for prior public use, anticipatory prior art having an effective date prior to Kenergy's invention date of August, 1978, and it is hereby further adjudged that the subject matter of claim 1-6 of the '200 patent would have been obvious to one of ordinary skill in the art when taken as a whole as of August, 1978.

3. During the trial, the Court reserved determination of certain matters and directed questions to the Jury for the purpose of advisory opinions from them. Having evaluated the foregoing, the Court rules as follows:

A. The parties agreed that the question of whether the '261 patent is invalid because of any fraud which may have been engaged in with respect to the '414 patent would be reserved for subsequent determination by the Court. The Court finds that all claims of United States Patent 4,344,261 are invalid for fraud in the procurement of the related patent 4,278,414.

B. The parties have agreed that the question of whether the '776 patent is invalid because of any fraud involved in the '414 patent is a matter for subsequent determination by the Court. The Court

finds that all claims of United States Patent 4,352,776 are invalid for fraud in the procurement of the related patent 4,278,414.

C. While the Jury rendered an advisory opinion that the defective declaration in the '776 patent renders that patent invalid, the parties have agreed that whether this patent is invalid because of the defective declaration is a matter for subsequent determination by the Court. The Court finds that the defective declaration in United States Patent 4,352,776 renders said patent invalid.

D. The parties have agreed that the question of whether the '200 patent is invalid because of any fraud involved in the '414 patent is a matter for subsequent determination by the Court. The Court finds that all claims of United States Patent 4,447,200 are invalid for fraud in

the procurement of related United States Patent 4,278,414.

E. While the Jury rendered an advisory opinion that the defective filing date in the '200 patent renders that patent invalid, the parties have agreed that whether this patent is invalid because of the defective filing date is a matter for subsequent determination by the Court. The Court finds that the United States Patent 4,447,200 is invalid because the application that matured into that patent was not filed before the patenting of the application that matured into United States Patent 4,352,776.

F. The Jury advisory opinion is that Plaintiff is entitled to a recision of the July 8, 1980 license agreement; the Court had reserved ruling on the same to determine the amount of monetary recovery to which Plaintiff is entitled, if any; in

addition, there is the sum of $15,000.00, which sum represents the license fee paid by Plaintiff to Defendant Kennedy under the license agreement which the Court may determine is allowable herein. the Court now finds that Plaintiff is entitled to a recision of the July 8, 1980 license agreement; further, the Court finds that the total recovery for the same is the sum of $15,000.00, plus interest.

G. This Court expressly reserved jurisdiction to determine whether this action is an exceptional case under 35 U.S.C., Section 285. This Court specifically finds that this is not an exceptional case. After presiding in this trial and having heard and observed the positions of the respective parties herein, what was truly "obvious" was the inordinate expenditures of effort, time

and money herein, including Court resources.

H. This Court expressly reserved jurisdiction to determine whether any party is entitled to its taxable costs of action. Further this Court retained jurisdiction for the entry of appropriate attorneys fees consistent with the findings herein. If the parties are unable to agree upon said fees and costs, memoranda and affidavits are to be submitted by them regarding their respective positions within twenty days from October 10, 1986.

It is so ordered.

/s/ October 17, 1986
Elizabeth A. Kovachevich
United States District Judge

COPIES TO:
William H. Shawn, Esquire
Robert B. Nadeau, Jr., Esquire
MacDonald J. Wiggins, Esquire
Herbert L. Allen, Esquire

UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

SUN-TEK INDUSTRIES, INC., a Florida Corporation, Plaintiff,	)	Civil Action No. 82-469-Orl-Civ-11
v.	)	
KENNEDY SKY-LITES, INC., a Florida Corporation, and KENERGY CORPORATION, a Florida Corporation, Defendants.	)	

AMENDED FINAL JUDGMENT

This action came on for trial before the Court and the Jury commencing on July 14, 1986, the Honorable Elizabeth A. Kovachevich, District Judge, presiding, and certain of the issues having been resolved by the Court upon motions for Directed Verdict and the remaining issues having been tried to the Jury for Verdict on some issues and the Jury having considered those matters reserved for its

determination,

IT IS ORDERED AND ADJUDGED that:

1. During the trial, the Court GRANTED the following motions for Directed Verdict:

A. Count Two of Plaintiff's third amended complaint sought compensatory and treble damages, attorneys fees and injunctive relief for alleged violations of 15 U.S.C., Section 1 and 2 for alleged monopolization and attempted monopolization. At the close of the Plaintiff's case in chief, Defendant Kenergy moved for a Directed Verdict. The Court having reviewed all of the evidence presented during Plaintiff's case in chief on the grounds that Plaintiff fails to establish a prima facie case under Count Two, the motion for a Directed Verdict as to Count Two of the third amended

complaint is GRANTED and Plaintiff's Count Two is dismissed with prejudice.

B. Count Three of Plaintiff's third amended complaint sought compensatory and treble damages, attorneys fees and an injunction for alleged violations of 15 U.S.C., Section 1 in relation to the alleged tie-in scheme. Defendant Kenergy moved for a Directed Verdict at the close of Plaintiff's case in chief as to Count Three. The Court having analyzed all of the evidence presented during Plaintiff's case in chief and having found that Plaintiff failed to establish a prima facie case under Count Three, Defendants' motion for a Directed Verdict is GRANTED and Count Three of Plaintiff's third amended complaint is dismissed with prejudice.

C. At the close of all the evidence Defendant moved for a Directed Verdict as

to the issues of anticipation under 35 U.S.C., Section 102, obviousness under 35 U.S.C., Section 103, and the issue of lack of candor with respect to prior art allegedly withheld from the patent examiner during the prosecution of the '414 patent. After a review of all of the evidence, the Court has found there is not evidence which established the anticipation under 35 U.S.C., Section 102 of the subject matter of the '414 patent and therefore a Directed Verdict is GRANTED as to that issue; further, that a Directed Verdict for Defendants has been entered under Count One of the complaint on the issues of inventorship under the doctrine of derivation under United States Patent 4,278,414.

D. At the close of all of the evidence, Defendant Kenergy moved for a Directed Verdict on the issue of the

validity of the '261 patent under 35 U.S.C., Sections 102 and 103. The Court having found that Plaintiff Sun-Tek presented no evidence of invalidity under 35 U.S.C., Section 102 and 103 of the '261 patent, Defendants' motion for a Directed Verdict on those issues is GRANTED.

2. During the trial, after instruction, the Jury deliberated and returned the following Verdicts which the Court hereby confirms and directs entry of judgment regarding the same:

A. Based upon the findings of the Jury, a Judgment is entered that all of the claims of the '414 patent are obvious under 35 U.S.C., Section 103, and are unenforceable because of Defendant Kenergy's fraud and failing to disclose certain prior art to the patent examiner.

B. Upon the Jury's Verdict, a Judgment is entered that Plaintiff has not

infringed any of the claims of the '414 patent.

C. Upon the Jury's Verdict, it is adjudged that Plaintiff has not infringed any of the claims of the '261 patent.

D. Upon the Jury's Verdict, it is hereby adjudged that the material added in the '776 patent is supported by the original specification of the '414 patent.

E. Upon the Jury's Verdict, it is hereby adjudged that claim 10 of the '776 patent is valid.

F. Upon the Jury's Verdict, [it] is hereby adjudged that claims 1-9 and claim 11 of patent '776 are invalid under 35 U.S.C., Section 102 for prior public uses, anticipatory prior art having an effective date prior to Kenergy's invention date of August 1978 and it is hereby further adjudged that the subject matter of claims 1-9 and claim 11 of the '776 patent would

have been obvious to one of ordinary skill in the art when taken as a whole as of August, 1978.

G. Upon the Jury's Verdict, it is hereby adjudged that claim 7 of the '200 patent is valid.

H. Upon the Jury's Verdict, it is hereby adjudged that claims 1-6 of the '200 patent are invalid under 35 U.S.C., Section 102 for prior public use, anticipatory prior art having an effective date prior to Kenergy's invention date of August, 1978, and it is hereby further adjudged that the subject matter of claim 1-6 of the '200 patent would have been obvious to one of ordinary skill in the art when taken as a whole as of August, 1978.

3. During the trial, the Court reserved determination of certain matters and directed questions to the Jury for the

purpose of advisory opinions from them. Having evaluated the foregoing, the Court rules as follows:

A. The parties have agreed that the question of whether the '261 patent is invalid because of any fraud which may have been engaged in with respect to the '414 patent would be reserved for subsequent determination by the Court. All the claims of United States Patent 4,344,261 are invalid for fraud in the procurement of the related patent 4,278,414, of which United States Patent 4,344,261, was a division, was co-pending, included substantially the same subject matter and incorporated Defendants' misrepresentations to the PTO;

B. The parties have agreed that the question of whether the '776 patent is invalid because of any fraud involved in the '414 patent is a matter for subsequent

determination by the Court. All the claims of United States Patent 4,352,776 are invalid for fraud in the procurement of the related patent 4,278,414, which patent was a parent of the continuation-in-art application from which United States Patent 4,352,776, issued. The Court further finds United States Patent 4,352,776, was co-pending with United States Patent 4,278,414, included the same or substantially similar subject matter, and also included additional fraud in the Patent and Trademark Office, including a failure to disclose prior method art supplied by others.

C. While the Jury rendered an advisory opinion that the defective declaration in the '776 patent renders that patent invalid, the parties have agreed that whether this patent is invalid because of the defective declaration is a

matter for subsequent determination by the Court. The Court finds that the defective declaration in United States Patent 4,352,776 renders said patent invalid.

D. The parties have agreed that the question of whether the '200 patent is invalid because of any fraud involved in the '414 patent is a matter for subsequent determination by the Court. All the claims of United States Patent 4,447,200 are invalid for fraud in the procurement of the related United States Patent 4,278,414, which patent involved the same apparatus. This Court further finds Defendants also committed fraud in misrepresenting their knowledge of material prior art, the true filing date of the application which matured into United States Patent 4,447,200, and in disclosing the actual nature of material prior art.

E. While the Jury rendered an advisory opinion that the defective filing date in the '200 patent renders that patent invalid, the parties have agreed that whether this patent is invalid because of the defective filing date is a matter for subsequent determination by the Court. The Court finds that the United States Patent 4,447,200 is invalid because the application that matured into that patent was not filed before the patenting of the application that matured into United States Patent 4,352,776.

F. The Jury advisory opinion is that Plaintiff is entitled to a recission (sic) of the July 8, 1980 license agreement; the Court had reserved ruling on the same to determine the amount of monetary recovery to which Plaintiff is entitled, if any; in addition, there is the sum of $15,000.00, which sum

represents the license fee paid by Plaintiff to Defendant Kennedy under the license agreement which the Court may determine is allowable herein. Defendants' patents-in-suit are the subject matter of the license agreement and the fraud in the Patent & Trademark Office committed by Defendants was central to the representations made to induce Plaintiff to sign the license agreement and, accordingly, Plaintiff is entitled to rescission of the license agreement and to recovery of its license fees paid, plus interest. The Court now finds that Plaintiff is entitled to a rescission of the July 8, 1980 license agreement. Further, the Court finds that the total recovery for the same in the sum of $15,000.00 plus interest.

G. This Court expressly reserved jurisdiction to determine whether this

action is an exceptional case under 35 U.S.C., Section 285. This Court specifically finds, after a review of all motions and memoranda, this is an exceptional case.

H. This Court expressly reserved jurisdiction to determine whether any party is entitled to its taxable costs of action. Further this Court retained jurisdiction for the entry of appropriate attorney fees consistent with the findings herein. The parties were unable to agree upon said fees and costs, memoranda and affidavits are to be submitted by them regarding their respective positions. Accordingly, this Court expressly taxes costs and awards fees under Subparagraph G. above, to Plaintiff, as sought by Plaintiff in its motions and supplemental motion for attorneys' fees and costs.

It is so ordered.

/s/ March 30, 1987
Elizabeth A. Kovachevich
United States District Judge

UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

SUN-TEK INDUSTRIES, INC., a Florida Corporation, Plaintiff(s),	)	Civil Action No.
v.	)	
KENNEDY SKY-LITES, INC., and KENERGY CORPORATION, Defendants.	)	82-469-Orl-Civ

SUPPLEMENTAL OPINION TO AMENDED FINAL JUDGMENT

This Supplemental Opinion is rendered simultaneously with the entry of an Amended Final Judgment herein. On October 17, 1986, this Court entered a Final Judgment in this cause. Subsequent thereto, there has been filed herein a plethora of motions, memos, letters, and other matters of concern for this Court. Unless expressly ruled upon previously, or ruled upon in either the Amended Final Judgment or this Opinion, all matters upon

which ruling has not been made, are hereby expressly, specifically, and individually DENIED.

The trier of fact in this cause heard and received considerable evidence. Certain pertinent testimony was influencial (sic) and persuasive herein.

Witness Jack Shuman was the holder of the first heated clamp frame patent, was the individual to whom General Electric referred polycarbonate customers, and was the person who traveled to the facilities of the Defendants with his heated clamp frame, after which Defendants purportedly invented the heated clamp frame without making any reference to the Shuman device until Plaintiff filed this law suit alleging fraud and Defendants filed their '200 patent application, which application seriously distorted Mr. Shuman's device

by, as Mr. Shuman testified, turning it upside down.

Witness Milton Priest, retired technical representative from the plastic's division of General Electric, established that he directed Defendants' (sic) to the Shuman Company and the Shuman heated clamp frame, all evidence of which Defendants omitted from their patent prosecution materials, until the '200 patent was filed in an attempt to disguise the Shuman patent.

Witness Charles Gholz was qualified as an expert in the law of the patent office practice and procedure. His testimony highlighted the deficiencies in the '776 and '200 patents, as well as testimony regarding how patents are prosecuted, and the duty of candor regarding the same.

Witness Kenneth Zeop established that he tested the heated clamp frame in his facilities, and, that the very components that Defendants represented they had perfected, were available "off-the-shelf" and had been assembled and run by his company, as a customer service to Defendants.

Witness Roger Mulcahy had been with the plastic's division of General Electric for fifteen (15) years. This witness testified that Defendants had received the guidance and information necessary to solve their wavy flanges problem, had been told that the temperatures at which the raw material was to be preheated and formed, and had actually received descriptive literature providing such guidance and heated clamp frame information. This testimony was creditable (sic) and directly contradicted

the representations made by Defendants in obtaining their patents and impeached the testimony of Defendants' fact witness and alleged inventor, Kent A. Weisner.

Witness John Wise from AAA Plastics Inc. was qualified as an expert in design and use of thermoforming machinery. This witness described how these Defendants had simply combined off-the-shelf items to use a piece of machinery commonly available elsewhere.

Witness Fred J. Myer was qualified as an expert from the plastics industry regarding polycarbonate thermoforming; he also is a registered professional engineer in the State of Texas. His analysis of Defendants' Exhibits 1, 5, 8, and 10 in evidence were critical to a property understanding of how to evaluate and understand the Defendants' patents and the confusion therein.

Witness Richard Morgan provided testimony regarding Defendants' efforts to market their patents; those marketing efforts formed a prime motivation for the perpetration of fraud upon the Patent and Trademark Office, and apparently were prompted by Defendants' inability to compete with more efficient, low-cost competitors, including Plaintiff herein.

Even witness Michael Colitz, an attorney and former patent examiner, who was qualified as an expert for the Defendants, provided corroboration regarding certain patent office procedures. Witness Colitz, however, did disagree with the conclusions of the witness Gholz. Both the jury and this Court find the testimony of witness Gholz, in consideration of the totality of the evidence of this case, to be more reasonable and consistent herein.

When the foregoing testimony is reviewed, and other evidence is considered, the judgment of the jury and this Court is well founded. Plaintiff's Exhibit #57, an affidavit by Defendant President, Kent Weisner, establishes the existence of prior art before the Defendant Kenergy invention date. When combined with other documentary evidence that the Defendants did not cite, it discloses all of the elements of the '414 claims. This affidavit revealed that the Defendants had in their possession the Shuman sales brochures and the drawings of the very mold subsequently duplicated by Defendants, and, Defendants' receipt of the General Electric materials.

Mr. Weisner admitted that he actually visited the witness Robert Kostur Tubmaster Company facility where he saw molds being made for another sky light

manufacturer. Mr. Weisner also admitted that he received those same drawings, within two weeks after his visit to the Kostur facility in February, 1978, examined the drawings in his facilities, and actually placed his initial on one set of them, after which, upon learning the price of the molds was over $50,000.00, Kenergy came up with their own design and had them fabricated elsewhere.

Therefore, Defendants' own President acknowledged that he saw the actual molds, had the drawings, and even initialed them nearly a year before the purported invention. An examination of the actual mold drawings revealed that they included the very steps embraced within the claims of '414 patents. Witnesses Kostur, Zable, Weisner, and Powell all discussed those matters. The mold drawings operated on exactly the same type of rotary

thermoforming equipment in the same fashion as those which Defendants' molds subsequently accomplished through their co-acting".

Witness Casper Roberts, President of Defendants' competitor, Tubmaster, testified and described his production of sky lights on a rotary thermoforming to which the Shuman heated clamp frames had been installed and had produced sky lights without any difficulty.

Witness Weisner admitted Defendants' receipt of the Shuman materials months prior to Defendants' application for the '414 patent. The Shuman materials included the drawings of the actual electrical circuits for the heated clamp frame. Technical manuals from General Electric, which contain the actual instructions to combine the individual elements anticipated by Defendants'

claims, were in Defendants' possession in August 1978, or were available as prior art. Plaintiff's Exhibit #9 shows mold design, including heated molds, specifies temperatures, identifies solution to flange problems, and displays an issue date of August 20, 1975. Plaintiff's Exhibit #10b identifies temperature to which clamp frames must be pre-heated and identifies the normal processing temperatures of polycarbonate during thermoforming. Plaintiff's Exhibit #93 contained guidance provided by General Electric in identifying the clamp frame pre-heat temperature.

Accordingly, the prior art, established through documentary evidence acknowledged to be in the Defendants' possession before the invention date, anticipated each and every element of the '414 patent.

Further Plaintiff President, witness J. William Powell, described in significant detail his level of skill applied in designing Plaintiff's plastic sky light manufacturing equipment. Witness Casper Roberts testified regarding his qualifications and skill, to which reference has been made hereinbefore. Witness Milton Priest described his qualifications and experience as did witness Mulcahy. Even witness Zeop, a salesman at the machinery company which sold the rotary, described his qualifications in the case in which he combined the individual elements including the obsolete slip ring to assemble and successfully test the combination of all the elements for Defendants.

Regarding application of expertise in the sky light industry, witness Shuman noted the sale of his heated clamp frames

to Tubmaster and the successful working of those frames on the Tubmaster's rotary, to which, the Kostur perimeter molds were installed. Witness Myers testified regarding his past relationship with Tubmaster and his familiarity with its sky light manufacturing. Witness Wise noted his expertise in plastic thermoforming equipment sold to the sky light industry.

Witnesses Powell, Priest, and Zeop all established the complete predictability of Defendants' combination of the prior art and are illustrative of the obviousness in this case. Regarding the heated clamp frame, witness Shuman described how Defendants had turned his clamp frame upside down in an attempt to distinguish it from the Defendant '200 patent. As witness Shuman said, there were none; "heat is heat".

Regarding the availability of the Shuman patent to the examiner in the Patent and Trademark Office, plaintiff expert witness Colitz could not testify to a certainty that the examiner had access to the Shuman patent. On the other hand, Defendants' expert witness Gholz described in substantial detail the entire process by which examiners perform their function. His conclusion that the examiner could not have seen the Shuman patent was reasonable; said witness also noted that such oversights were not at all unknown to the PTO.

In Plaintiff's Exhibit #1, the actual '414 patent, it reveals that the examiner did see an earlier Shuman patent, and that patent actually appears as a reference on the '414 patent. Since the earlier Shuman patent did not even include a heated clamp frame, it is reasonable to infer that a

more relevant patent, that which was omitted, would have been cited had the patent examiner found it. The Defendants' subsequent utilization of the Shuman heated clamp frame patent, in the upside down rendition incorporated in Defendants' '200 patent, simply adds to the basis for concluding that the patent office examiner did not see the Shuman patent.

There is evidence of a substantial and repetitive fraud on the Patent and Trademark Office in this case! The withheld prior art was material. Such prior art revealed each and every element of the '414 claims, and was already known and in use. Each and every element worked in the same manner and produced the same result as the alleged combination invention, and, the Defendants were told as much by the General Electric representatives on the scene.

The prior art was most material, especially considering Defendants' attorneys' repeated representations, and response to the PTO, that the uniqueness in the invention was a heretofore unsolved problem of wavy flanges. It was Defendants own action and their later distortion of the Shuman patent in the '200 application which established the materiality of the withheld prior art! Defendants had in their possession the very prior art they told the examiner was missing; therefore, they violated their duty of candor herein.

The Court must consider the award of attorney's fees to the Plaintiff in this cause. The entire course of conduct exhibited in Defendants' prosecution of their positions herein revealed a blatant plan to commit fraud on the patent office. While this Court has no doubt that the

motivations for the same were business based, that stands as no excuse for their bad actions herein. The Defendants manipulated the system. Fortunately, through the efforts of the Plaintiff, the Defendants have ultimately been unsuccessful. Plaintiff deserves its attorney's fees and costs herein. This Court specifically finds the sum of $447,716.37 for total attorneys fees and disbursements from the commencement of this action to the date of this Order reasonable, necessary, and justified.

Since the entry of the initial Final Judgment on October 17, 1986, approximately five pages have been added to the Clerk's entry docket record in this cause; enough is enough.

DONE AND ORDERED in Chambers, in Tampa, Florida, this 3rd day of March, 1987.

/s/
ELIZABETH A. KOVACHEVICH
United States District Judge

Copies to:
All counsel of Record

UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

SUN-TEK INDUSTRIES, INC., a Florida Corporation, Plaintiff,	)	Civil Action No.
v.	)	82-469-Orl-Civ-11
KENNEDY SKY-LITES, INC., a Florida Corporation, and KENERGY CORPORATION, a Florida Corporation, Defendants.	)	

FINAL JUDGMENT ON ISSUE OF ATTORNEYS' FEES

Following entry of the Amended Final Judgment in this action on March 3, 1987, this Court entered an order on March 18, 1987, reserving jurisdiction to consider additional documentation in support of legal fees and costs awarded in the Amended Final Judgment, affording the parties an opportunity to request oral argument on such additional documentation, providing Plaintiff with an opportunity to request additional reasonable legal fees

and costs incurred since trial, and providing Plaintiff with its attorneys' fees and costs, in the event Plaintiff prevailed, in whole or part, on the reasonableness of the fees awarded in the amended final judgment. In all other respects, the order entered March 18, 1987 denied Defendants' motions and requests.

Pursuant to the order entered March 18, 1987, Plaintiff submitted additional documentation in support of the reasonableness of fees awarded in the Amended Final Judgment. Such materials consisted of affidavits submitted by Plaintiff's lead and local counsel, underlying billing documentation bearing time entries by attorney or paralegal, time descriptions, and fee calculations supporting actual invoices also submitted and reasonable fees and costs claimed. Upon Defendants' motion, this Court held

an evidentiary hearing for the parties to present additional evidence, including oral testimony, on the fees awarded by this Court and those sought by Plaintiff post-trial. Plaintiff and Defendants submitted additional documentation, presented witness testimony, and conducted cross-examination of their respective witnesses.

At the close of the evidentiary hearing, this Court further ordered the parties to submit memoranda on any remaining issues. Pursuant to such directive, Plaintiff and Defendants have submitted memoranda in support of their respective position.

Upon consideration of all the evidence and arguments on the issue of attorneys' fees and costs,

IT IS ORDERED AND ADJUDGED that:

1. The appropriate prevailing hourly rate standard to be applied to Plaintiff's lead counsel, his partners, associates, and paralegals is that of Washington, D.C.;
2. Plaintiff's lead counsel's hourly rates and those of this (sic) partners, associates, and paralegals are reasonable hourly rates in the Washington, D.C. community;
3. Plaintiff's decision to employ Washington lead counsel was necessary and proper and, therefore, Plaintiff's employment of its local counsel in Orlando, Fla., was reasonable and proper;

4. Defendants do not dispute the reasonableness of Plaintiff's local counsel's hourly rates, and this Court so specifically finds such hourly rates to be reasonable;

5. That based upon Plaintiff's expert testimony of record at the evidentiary hearing, Plaintiff's lead counsel's rates are not unreasonable when judged against prevailing rates in Central Florida;

6. That the time and effort expended by Plaintiff's counsel in this matter before and after trial was necessary, justified, and reasonable;

7. That Plaintiff has submitted adequate documentation supporting the fees awarded by

this Court in the Amended Final Judgment and those sought post trial;

8. That Plaintiff has supported its apportionment of fees between the issues on which it prevailed and those it lost, all of which are connected by the common issue of the patent claims previously stricken for fraud in the Final Judgment and Amended Final Judgment;

9. That Plaintiff is specifically entitled, under the Lodestar calculation, to the following reasonable attorneys' fees and costs, as calculated below:

	Fees	Disbursements
Original Award	$416,191.82	$31,524.55
Post-Trial:		
WHS	52,631.25	4,587.19
SB&M (thru 3/87)	20,912.50	3,498.71
SB&M (thru 4/87)	14,481.25	1,055.62
AS&E (thru 3/87)	3,304.70	1,384.92
	$507,521.52	$42,050.99
Less DLNI recalculation Original 126,297.067 x 55% = $69,463.38	(63,606.40)	
	$443,915.12	42,050.99
Less AS&E recalculation at hearing	(3,207.00)	
	$440,708.12	
TOTAL		$482,759.11*

*Does not include April and May Akerman et al. time and disbursements or May Shawn et al., time and disbursements.

IT IS SO ORDERED;

/s/ May 21, 1987
ELIZABETH A. KOVACHEVICH
United States District Judge

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

87-1375 and 87-1421

SUN-TEK INDUSTRIES, INC.,

Plaintiff-Appellee,

v.

KENNEDY SKY LITES, INC.
AND KENERGY CORPORATION,

Defendants-Appellants.

DECIDED: June 6, 1988

Before SMITH, Circuit Judge, BALDWIN, Senior Circuit Judge, and ARCHER, Circuit Judge.

ARCHER, Circuit Judge.

Kennedy Sky Lites, Inc. and Kenergy Corporation (Kenergy) appeal the judgments of the United States District Court for the Middle District of Florida holding certain of its patents to be invalid and/or unenforceable and awarding attorney

fees to Sun-Tek Industries, Inc. (Sun-Tek) under 35 U.S.C. §285 (1982).

BACKGROUND

Sun-Tek brought this action against Kenergy for a declaratory judgment that U.S. Patent Nos. 4,278,414 ('414), 4,344,261 ('261), 4,352,776 ('776) and 4,447,200 ('200) were invalid and unenforceable. Kenergy counterclaimed for infringement.[1]

Following a jury trial, the district court entered a Final Judgment on October 17, 1986. That judgment incorporated the court's direct verdict on some issues, the jury's verdict on others, and the court's rulings as to certain issues reserved for its determination. The district court

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[1]Other issues before the district court, not directly pertinent to this appeal, include violations of the antitrust laws, patent misuse, and validity of a licensing agreement.

held the '261 patent not to be invalid under sections 102 and 103, but "invalid for fraud in the procurement of related patent 4,278,414." The jury found the '261 patent not infringed. The jury also found that the '414 patent would have been obvious under section 103, and that it was unenforceable, but not infringed. With respect to the '776 patent, the jury found only claim 10 to be valid (claims 1-9 and 11 were found to be invalid under sections 102 and 103); the court, however, ruled that the patent was invalid for fraud in the procurement of the related '414 patent and for a defective declaration. Finally, the jury determined that only claim 7 of the '200 patent was valid (claims 1-6 were found to be invalid under sections 102 and 103); again the district court found this patent to be invalid due to fraud in the procurement of the '414 patent and also

held it to be invalid for a defective filing date.

In its Final Judgment the court devoted a paragraph to its holding of no exceptional case under 35 U.S.C. §285, stating:

> G. This Court expressly reserved jurisdiction to determine whether this section is an exceptional case under 35 U.S.C. Section 285. This Court specifically finds that this is not an exceptional case. After presiding in this trial and having heard and observed the positions of the respective parties herein, what was truly "obvious" was the inordinate expenditures of effort, time and money herein, including Court resources.
> (Emphasis in original.)

The court went on in the next paragraph to say that the court "retained jurisdiction for the entry of appropriate attorney fees consistent with the findings herein. If the parties are unable to agree upon said fees . . . memoranda and affidavits are to

be submitted by them regarding their positions."

Kenergy timely filed post-judgment motions for judgment notwithstanding the verdict, for a new trial, and for reconsideration, rehearing and/or amendment to the judgment as to certain non-jury issues. Kenergy also sought attorney fees based on Sun-Tek's failure to present a justiciable case on its antitrust claims.

On November 5, 1986, Sun-Tek filed a Motion for Attorneys' Fees and Costs contending, inter alia, that the case was "exceptional" and that it was entitled to attorney fees under 35 U.S.C. §285.

The district court issued an Amended Final Judgment on March 30, 1987 in which it found that this was an exceptional case, contrary to its determination in its October 17, 1986 Final Judgment, and

awarded attorney fees to Sun-Tek in the amount of $447,716.37. In the Supplemental Opinion to Amended Final Judgment, which was issued contemporaneously with the Amended Final Judgment, the court explained that "[t]he entire course of conduct exhibited in Defendants' prosecution of their positions herein revealed a blatant plan to commit fraud on the patent office. . . . Plaintiff deserves its attorney's fees and costs."

Kenergy has appealed the district court's determination in the Amended Final Judgment that this was an exceptional case and the amount of the award of attorney fees to Sun-Tek based on that finding. With regard to unenforceability, invalidity and infringement, Kenergy has appealed only the determination of unenforceability of the four patents

(based on fraud in the procurement of the '414 patent) and the invalidity of the '414 patent. The portion of the judgment that the '414 and the '261 patents were not infringed has not been appealed; nor has Kenergy appealed the portion of the judgment that the '776 and the '200 patents are invalid due, respectively, to a defective declaration and to a defective filing date. Further, the invalidity under 35 U.S.C. §§102 and 103 of claims of the '776 and the '200 patents (one claim in each patent having been found valid) has not been appealed.

OPINION

A. Exceptional Case

Kenergy contends that because the district court determined as a part of its Final Judgment of October 17, 1986 that the case was not an "exceptional case under 35 U.S.C. 285," it could only

reconsider and modify that determination pursuant to Fed. R. Civ. P. 59 and 60. Because neither Sun-Tek nor the district court, sua sponte, preserved jurisdiction over the exceptional case issue within the ten day limit prescribed by Rule 59,[2] Kenergy argues, the district court was without jurisdiction in its March 3, 1987 Amended Final Judgment to reverse its prior determination and find the case exceptional.

The time limit under Rule 59(e) within which a party may move to amend a judgment is a procedural matter which is not unique to patent law. The law of the regional circuit court from which the appeal arose is the controlling authority in actions before this court with respect

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[2]Fed. R. Civ. P. 59(e) provides that "A motion to alter or amend the judgment shall be served not later than 10 days after entry of the Judgment."

to its review of such procedural issues that are not unique to patent law. On these matters,

> we sit as if we were the particular regional circuit court where appeals from the district court we are reviewing would normally lie. . . . Where the regional circuit court has not spoken, we need to predict how that regional circuit would have decided the issue in light of the decisions of that circuit's various district courts, public policy, etc.

Panduit Corp. v. All States Plastic Mfg. Co., 744 F.2d 1564, 1575, 223 USPQ 465, 472 (Fed. Cir. 1984). Thus, for the purposes of deciding whether the district court retained jurisdiction to alter or amend its judgment pursuant to Rule 59, we apply the law of the Eleventh Circuit.

The Eleventh Circuit has held that a district court has limited power to act sua sponte to alter or amend a judgment under Fed. R. Civ. P. 59(e), but such

power must be exercised within the ten day time limit. Burnam v. Amoco Container Co., 738 F.2d 1230, 1232 (11th Cir. 1984). Fed. R. Civ. P. 6(b) provides that a court may in its discretion enlarge a time limit "but it may not extend the time for taking any action under [Rule]. . .59(e)." The ten day time limit imposed by Rule 59(e) is therefore jurisdictional and may not be waived by a court. See Sutliff, Inc. v. Donovan Companies, Inc., 727 F.2d 648, 652 (7th Cir. 1984); Textile Banking Co., v. Rentschler, 657 F.2d 844, 849 (7th Cir. 1981); Hairline Creations, Inc. v. Kefalos, 664 F.2d 652, 655, 660, 212 USPQ 734, 736, 740 (7th Cir. 1981) (A motion filed twenty-eight days after judgment was found to be untimely.); Scola v. Boat Frances, R., Inc., 618 F.2d 147, 154 (1st Cir. 1980). Applying the precedent of the Eleventh Circuit in Burnam, 738 F.2d at

1232, a district court has no inherent authority and cannot sua sponte, modify its judgment outside of the ten day limit.

Although it did not timely file a motion under Rule 59(e), Sun-Tek argues that it is entitled to prevail because Kenergy's timely motions challenged almost the entire Final Judgment and thus opened the entire judgment up to modification or amendment by the district court. It is only the absence of any Rule 59(e) motion which is jurisdictional according to Sun-Tek's argument. Kenergy's motions, however, did not challenge the court's determination in the Final Judgment that the case was not exceptional. Sun-Tek also argues that by retaining "jurisdiction for the entry of appropriate attorney fees consistent with the findings herein," the district court did, sua

sponte, retain jurisdiction to reverse its judgment that the case is not exceptional.

In Hidle v. Geneva County Bd. of Educ., 792 F.2d 1098 (11th Cir. 1986), cert. denied, 107 S. Ct. 1296 (1987), the Eleventh Circuit considered whether a party's motion to alter or amend a judgment pursuant to Fed. R. Civ. P. 59 empowers the district court, in effect, to vacate a judgment in favor of the moving party so as to rule in favor of the non-moving party. Although the court expressly stated that it was not attempting to lay down a general rule concerning the power of a court to amend a judgment to the benefit of a non-moving party when the moving party has sought relief under Rule 59, it held, under the facts presented, that the district court erred in so doing.

Hidle was a sex discrimination case in which the district court found that there had been a violation of Title VII of the Civil Rights Act of 1964. It directed the defendant to offer plaintiff the next available position, but it did not award her back pay and certain other relief to which she was presumptively entitled under the court's findings. Plaintiff filed a motion pursuant to Rule 59(e) seeking an amendment of the judgment to award such back pay and other relief. Some seven months later "the court denied plaintiff's motion, set aside the judgment in her favor, and entered judgment for the defendant." Hidle, 792 F.2d at 1100. No post-judgment motion under Rule 59 to alter or amend the judgment or for a new trial had been filed by defendant.

The Eleventh Circuit reversed and ordered the district court to reinstate

its original judgment. The court stated that if actions such as this by the district court were permitted, the error-correcting function of a Rule 59(e) motion would be inhibited. It reasoned that if the district court were correct "a successful plaintiff given a less-than-complete remedy could not ask for correction without putting at risk the judgment in her favor though the party cast in judgment has raised no question of the validity of the judgment." Id. The court also noted that "the interest of the parties and society in the finality of judgments, and the legitimate expectation of the parties concerning the judgment to the extent it is not questioned by the parties, speak against pulling the rug from under the plaintiff eight months after she filed her motion to correct errors in the remedy granted." Id.

We are persuaded that under the reasoning of Hidle the Eleventh Circuit would rule that a district court is without authority to alter or amend a judgment which is not subject to a timely motion under Rule 59(e). As in Hidle, Kenergy in timely filing such a motion as to other parts of the judgment should not, in doing so, have risked having issues decided in its favor overturned. The interest of the parties and society in the finality of judgments and the legitimate expectation of the parties concerning the judgment to the extent it is not questioned in the manner required by Rule 59(e) militate against the district court's action herein. See id. We also do not consider the district court's action herein, nor did the court so indicate or the parties contend, to fall within other provisions of Rule 59 or 60.

Sun-Tek's argument that the district court retained jurisdiction to reverse its judgment that this is not an exceptional case when it retained jurisdiction to award attorney fees consistent with its findings is also not persuasive because the district court was not acting within the jurisdiction it retained. The court did not merely award attorney fees consistent with its judgment; it reversed the part of its judgment relating to exceptional case. To permit the district court to reverse the unchallenged and unreserved part of its judgment seven months after it was rendered, where jurisdiction had been retained only to award attorney fees consistent with the findings contained in the judgment, would undermine the finality of judgment. The

Eleventh Circuit in Hidle expressly rejected a similar result on that basis. Id.

Accordingly, the portion of the Amended Final Judgment awarding attorney fees to Sun-Tek under 35 U.S.C. §285 is vacated.

B. Invalidity and Unenforceability

The district court found that the '414 and the '261 patents were not infringed by Sun-Tek, and Kenergy has not appealed these holdings. Because Sun-Tek does not infringe the '414 and '261 patents, there remains no case or controversy between the parties requiring a decision on the enforceability or validity of these patents. Fonar Corp. v. Johnson & Johnson, 821 F.2d 627, 634, 3 UPSQ2d 1109, 1114 (Fed. Cir. 1987), cert. denied, 108 S. Ct. 751 (1988); Vieau v. Japax, Inc.,) 823 F.2d 1510, 3 USPQ2d 1094

(Fed. Cir. 1987) (Bennett, J., concurring). Thus, Kenergy's appeal requesting review of the enforceability or validity of the '414 and the '261 patents is dismissed as moot.

Kenergy also has not appealed that portion of the district court's judgment finding the '776 patent invalid for a defective declaration and the '200 patent invalid for a defective filing date.[3] Accordingly, we do not decide the enforceability issues raised on appeal with respect to these patents, because the issues are moot and to do so would be to render an opinion where no case or controversy exists. See Altvater v.

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[3]Kenergy has not appealed the portion of the district court's judgment finding claims 1-9 and 11 of the '776 patent and claims 1-6 of the '200 patent invalid under 35 U.S.C. §§102 and 103.

Freeman, 319 U.S. 359, 363-64 (1943). Kenergy's appeal requesting review of the enforceability of the '776 and '200 patents is also dismissed as moot.

In view of our dismissal for mootness of the enforceability issues, we vacate that portion of the district court's judgment holding that the four patents at issue are "unenforceable" or "invalid" for fraud.

COSTS

The parties shall bear their respective costs.

VACATED-IN-PART AND DISMISSED IN PART

NOT TO BE PUBLISHED IN A REPORTER

IN THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

KENNEDY SKY-LITES, INC. and KENERGY CORPORATION,	)	
Appellants,	)	Appeal Nos. 87-1375 and 1421
v.	)	
SUN-TEK INDUSTRIES, INC.	)	
Appellee	)	

APPEAL FROM
THE UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA,
ORLANDO DIVISION
HONORABLE ELIZABETH A. KOVACHEVICH,
UNITED STATES DISTRICT JUDGE

ORDER

Appellee, having moved for leave to file its Motion to Dismiss Part of Appeal or, in the Alternative, Suggestion of Mootness:

IT IS HEREBY ORDERED:

1. That Appellee is granted leave to file its Motion which a copy is attached to Appellee's Motion for Leave to File.

DATED:

7/25/88

/s/
[Glen L. Archer, Jr.]
Circuit Judge

cc: Herbert L. Allen, Esq.
Denis L. Durkin, Esq.
William H. Shawn, Esq.

NOT TO BE PUBLISHED IN A REPORTER

IN THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

KENNEDY SKY-LITES, INC. and KENERGY CORPORATION,	)	
Appellants,	)	Appeal Nos. 87-1375 and 1421
v.	)	
SUN-TEK INDUSTRIES, INC.	)	
Appellee	)	

APPEAL FROM
THE UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA,
ORLANDO DIVISION
HONORABLE ELIZABETH A. KOVACHEVICH,
UNITED STATES DISTRICT JUDGE

MOTION TO DISMISS PART OF APPEAL OR,
IN THE ALTERNATIVE, SUGGESTION FOR MOOTNESS

Appellee Sun-Tek Industries, Inc., hereby moves the Court for an order dismissing as moot Appellants' appeal of

the trial court's judgment of fraud and invalidity and related matters.

STATEMENT OF THE CASE

In the decision entered June 6, 1988, in this case[1], the panel dismissed for mootness Appellants' appeal of the holdings of fraud and invalidity because Appellants had failed to appeal the holdings against them of noninfringement and invalidity based on grounds other than fraud. The panel then ordered the trial court's holdings of fraud and invalidity to be vacated as moot.

Appellee filed a Petition for Rehearing with Suggestion for Rehearing In Banc on June 20, 1988. It noted the panel

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[1]Sun-Tek Industries, Inc. v. Kennedy Sky-Lite, et al., Nos. 87-1375 and 1421, Slip Op. (June 6, 1988).

erred in vacating the trial court's holdings of fraud and invalidity, when

Motion Denied [hand-written]

Glen L. Archer, Jr. 7/25/88 [hand-written]
Circuit Judge [hand-written]

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT
717 Madison Place, N.W.
Washington, D.C. 20439

June 24, 1988

Francis X. Gindhart Telephone: 633-6550
Clerk Area Code 202

Mr. Herbert L. Allen
Duckworth, Allen & Dyer
Box 3791
Orlando, Florida 32802

Dear Mr. Allen:

Sun-Tek Ind v Kennedy Sky Lites
Appeal No. 87-1375

The court has requested a response from appellant to appellee's petition for rehearing.

Please file your response in accordance with Federal Circuit Rule 40 for Section I of Argument only. Please file it on or before July 11, 1988.

Very truly yours,

/s/

Francis X. Gindhart

FSG:mym

cc: Mr. William H. Shawn

Note: This Order has not been prepared for publication in a printed volume because it does not add significantly to the body of law and is not of widespread legal interest. It is a public record. It is not citable as precedent.

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

87-1375 and 87-1421

SUN-TEK INDUSTRIES, INC.,

Plaintiff-Appellee,

v.

KENNEDY SKY LITES, INC.
AND KENERGY CORPORATION,

Defendants-Appellants.

Before SMITH, Circuit Judge, BALDWIN, Senior Circuit Judge, and ARCHER, Circuit Judge.

O R D E R

A petition for rehearing by appellee and a response by appellant having been filed in this case,

UPON CONSIDERATION THEREOF, it is

ORDERED that the petition for rehearing be, and the same hereby is, denied.

The suggestion for rehearing in banc is under consideration.

FOR THE COURT:

/s/
Francis X. Gindhart, Clerk

8/1/88
Date

cc: Mr. Herbert L. Allen
Mr. William H. Shawn

Note: This Order has not been prepared for publication in a printed volume because it does not add significantly to the body of law and is not of widespread legal interest. It is a public record. It is not citable as precedent.

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

87-1375 and 87-1421

SUN-TEK INDUSTRIES, INC.,

Plaintiff-Appellee,

v.

KENNEDY SKY LITES, INC.
AND KENERGY CORPORATION,

Defendants-Appellants.

ORDER

A suggestion for rehearing in banc having been filed in this case,

UPON CONSIDERATION THEREOF, it is

ORDERED that the suggestion for rehearing in banc is declined.

FOR THE COURT:

/s/
Francis X. Gindhart, Clerk

8/11/88
Date

cc: Mr. Herbert L. Allen
Mr. William H. Shawn